

Press Release

## **S3 Investment Company Comments on New Contract for Redwood Capital Client**

*Most recent S3 consolidated financials include a position of approximately 700,000 shares of Boyuan common stock*

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DANVILLE, CA--(MARKET WIRE)--Jan. 14, 2010--S3 Investment Company, Inc. (Other OTC: SIVC) today commented on another new contract announced by Boyuan Construction Group, Inc., a client of its wholly owned Redwood Capital subsidiary, which successfully completed its entry into the North American capital markets in March of 2009. Boyuan Construction Group, Inc., which is publicly traded on Canada's TSX Venture Exchange under the symbol BOY, recently reported that it had been awarded a contract valued at \$19 million to develop a 16-story, 40,000 square meter commercial building in the city of Qingzhou, located in China's Shandong province.

The project, which is expected to be completed in March, 2011, will result in one of the largest commercial buildings ever to be developed in Qingzhou.

Redwood Capital acted as the Chinese merchant banking advisor for the Boyuan Construction Group in a reverse takeover transaction which resulted in the company being listed on the TSX Venture Exchange. As a result of its participation, Redwood Capital received shares of Boyuan common stock. As of the period ended September 30, 2009, the last reported by the company's financial disclosure through the Pink Sheets OTC Disclosure and News Service, Redwood Capital owned 691,203 Boyuan common shares.

Boyuan Construction Group, Inc., a fast-growing construction company in China of commercial, residential and municipal infrastructure projects, has reported increased revenues over the previous year in each of the quarters reported since the company became listed in North America.

“Due to our Boyuan Construction common stock position, we will continue to follow this company as it signs new contracts and expands its business in the China market,” said S3 Chairman and CEO Jim Bickel. “The value of the Boyuan shares, in addition to that of other current and future Redwood Capital clients, forms the basis of the asset value that S3 is building for its shareholders. While many companies are searching for markets and customers for their services, Redwood Capital is firmly entrenched in China's robust business landscape.”

“The Redwood Capital business model has proven successful in assembling the assets the company currently holds, and we expect that 2010 will bring additional stock and stock value as other client listing and funding transactions are closed,” Mr. Bickel added.

To sign up to receive information by email directly from S3 Investment Company when new press releases, investor newsletters, SEC filings or other information is disclosed, please visit <http://www.s3investments.com/investors/>.

**About S3 Investment Company, Inc.**

S3 Investment Company, Inc. (<http://www.s3investments.com>) and its Redwood Group International subsidiary are focused on facilitating the success of two subsidiaries operating in the China market. Redwood Capital, Inc. assists private Chinese companies in accessing the North American capital markets by utilizing a network of investment banking relationships to achieve reverse merger transactions. For more information, please visit <http://www.redwoodcapinc.com>. Redwood Medical, Inc. assists companies seeking to import and distribute Western medical technologies and products into the China market.

Any statements contained herein related to future events are forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on forward-looking statements. S3 Investment Company, Inc. undertakes no obligation to update any such statements to reflect actual events.

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